Complaints against M|s. Fairdeal Corporation

2844. SHRI (MOLANA) ASRARUL HAQ: Will the Minister of INDUSTRY be pleased to state:

(a) whether it is a fact that employees of M/s. Fairdeal Corporation submitted a memorandum about undesirable activities of the management;

(b) if so, what are the details thereof and whether Government made any investigation;

(c) if so, what are the findings and what action has been taken;

(d) whether it is a fact that this company had started a number of small scale units in order to transfer profits and also to avoid price fixation of medicines;

(e) names of the products being marketed by Fairdeal Corporation which are being manufactured by small scale units and what are the details of arrangements made between those companies;

(f) what was the sales turn-over of each units managed by Fairdeal during the last three years, year-wise;

(g) whether this company is marketing a number of products without price approval and without valid authority; and

(h) if so, what are the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT (SHRI M. ARUNACHALAM): (a) A Memorandum from the employees of M|s. Fairdeal Corporation Pvt. Ltd., was received in Ministry of Labour in November 1982, a copy of which was forwarded to Department of Company Affairs in February 1983.

(b) The Memorandum, *inter-alia* alleged:

(i) Harassment of workers;

(ii) taking away the Fine Chemicals Plant of the company under a new name Anand Synthochem Ltd. to divide the company's profits;

(iii) flotation of another company by name, Akhil Farma Pvt. Ltd. for manufacturing pharmaceuticals and food products with no factory;

(iv) transfer of products developed by the company to the above companies;

(v) marketing of products of other manufacturers by Fairdeal Corporation involving loss;

(vi) getting some of its products manufactured by others on loan licence basis, etc.

A limited inspection of books of accounts of the company under Section 209A of Companies Act, 1956 was carried out to examine the above allegations in the context of provisions of Companies Act, 1956

(c) No violation of the provisions of Companies Act, 1956 was noticed during the inspection.

(d) No representation about starting of small scale units by M/s Fairdeal Corporation has been received by the office of Development Commissioner (Small Scale Industries).

(e) and (f) The provisions of the Companies Act, 1956 realating to the form and contents of balance sheet and Profit & loss account do not require disclosure of the information referred to: and as such no details are available.

(g) and (h) To the extent information is available with the Department of Chemicals and Petrochemicals, the company is marketing its own price controlled formulation under the provisions of Drugs (Price control) Order, 1979.

Production of vital drugs

2845. SHRI N.E. BALARAM: Will the Minister of INDUSTRY be pleased to state:

(a) whether his attention has been drawn to the news item captioned "50 per cent vital drug output at each unit urged" which appeared in the 'Economic Times' of the 29th November, 1985;

(b) if so whether it is a fact that Federation of Medical and Sales Representatives Associations of India urged the Government to make mandatory for every drug producer to produce minimum 50 per

cent of essential drugs and to have price control on all drugs;

(c) if so, what is Government's reaction thereto; and

(d) what are the details of other suggestions made by the Federation and by when the final view will be taken?

THE MINISTER OF STATE IN THE DEPARTMENT OF CHEMICALS AND PETROCHEMICALS (SHRI R. K. JAICHANDRA SINGH): (a) and b). Yes, Sir.

(c) The Government have not finalised the New Drug Policy.

(d) The Federation has also made suggestions in the areas of licensing and pricing. Government intend to announce the New Drug Policy as early as possible.

Price Decontrol category of Medicines under drug price control order, 1979

2846. SHRIMATI MONIKA DAS: Will the Minister of INDUSTRY be pleased to state:

(a) what was the objectives for having a price deconrol category of medicines undcer he Drugs Price Control Order, 1979;

(b) whether it is a fact that majority of medicines falling under this category have a mark up from 500 to 1000 per cent;

(c) if so, what is the mark up allowed under category I, II and III drugs falling under price control;

(d) whether it is a fact that there was no price decontrol category under Drugs Price Control Order, 1970;

(e) what was the highest mark up allowed under DPCO, 1970;

(f) whether it is a fact that a number of instances came to Government's notice in respect of formulators marketing without price approval, overcharging the prices and marketing price controlled medicines under the price exempted category; and

(g) if so, what system has been adopted by Government to check such actiivties?

THE MINISTER OF STATE IN THE DEPARTMENT OF CHEMICALS AND PETROCHEMICALS (SHRI R. K. JAICHANDRA SINGH): (a) The purpose of having decontrolled category was to enable the manufacurers to set off losses, if any, on the price controlled categories against profits of price decontrolled formulations.

(b). No, Sir.

(c) Category-I formulations are allowed a mark-up of 40 per cent on ex-factory cost, category-II formulation 55 per cent on the ex-factory cost and category-III formulations upto 100 per cent on ex factory cost.

(d) Yes, Sir.

(e) The mark-up depended upon the scheme of pricing opted for by the individual manufacturers.

(f) Yes, Sir.

(g) Wherever such instances have come to the notice of the Government action is taken in accordance with due procedure of Law.

Requirement of anti-T.B. drugs

2847. SHRIMATI MONIKA DAS: Will the Minister of INDUSTRY be pleased to state:

(a) what is the total estimated requirement of each of anti-TB drugs in the country during 1986-87;

(b) what is the total production of each drug during 1984-85;

(c) names of the TB drugs which are produced from basic stages and intermediate stages indigenously as well as names of drugs still being imported in the country;

(d) what was the quantity imported during the last three years, year-wise and what are the chances for its production in the country;